

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 14-15, 2005

Reference No.: 3.13
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: William D. Bronte
Chief, Division of Rail

Ref: **FY 2005-06 1st QUARTER RAIL OPERATIONS REPORT**

SUMMARY

This is the FY 2005-06 First Quarter Intercity Rail Operations Report requested by the California Transportation Commission (Commission). The report provides information for each route on ridership, farebox ratio, passenger miles per train mile, and on-time performance measures.

California provides financial and administrative support for Amtrak intercity rail passenger service on three corridors within the state: the *Pacific Surfliner Route* between San Diego, Los Angeles, and San Luis Obispo; the *Capitol Corridor* between the Sacramento region, Oakland, and San Jose; and the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the entire national Amtrak system. State support for the *Pacific Surfliner* and *San Joaquin* routes is administered by the Department of Transportation (Department), while support for the third corridor is administered by a separate agency, the Capitol Corridor Joint Powers Authority (CCJPA), using funding provided through the Department.

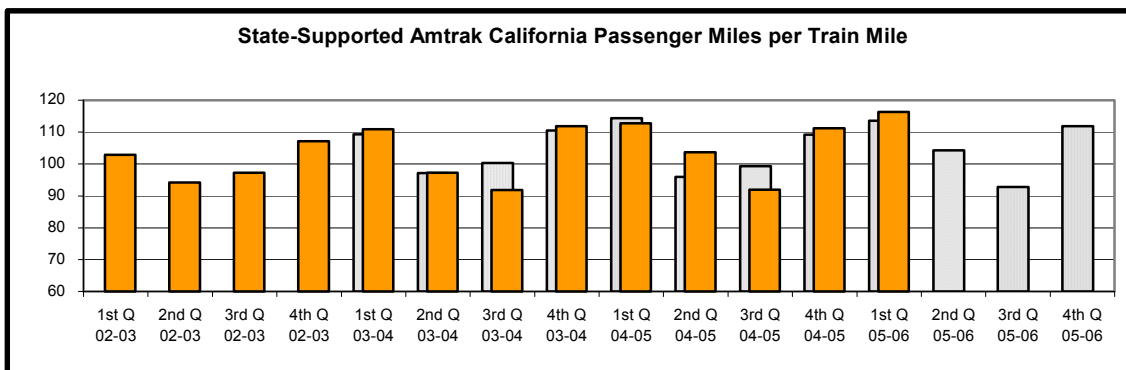
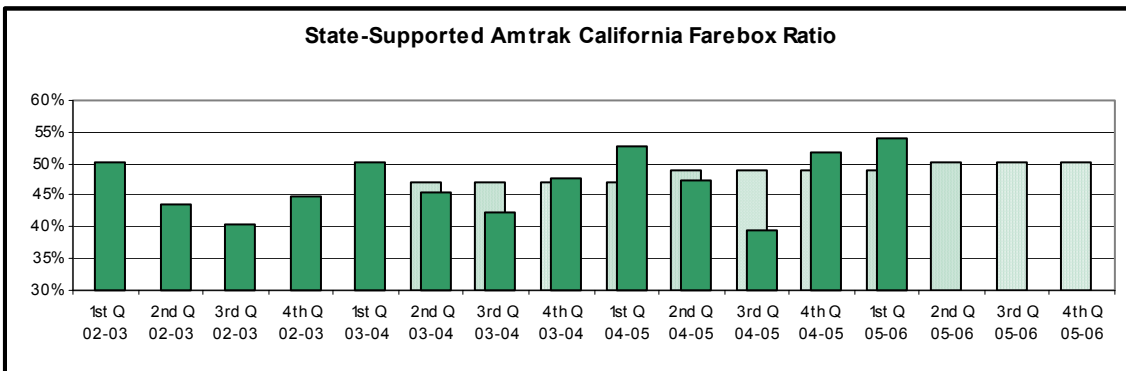
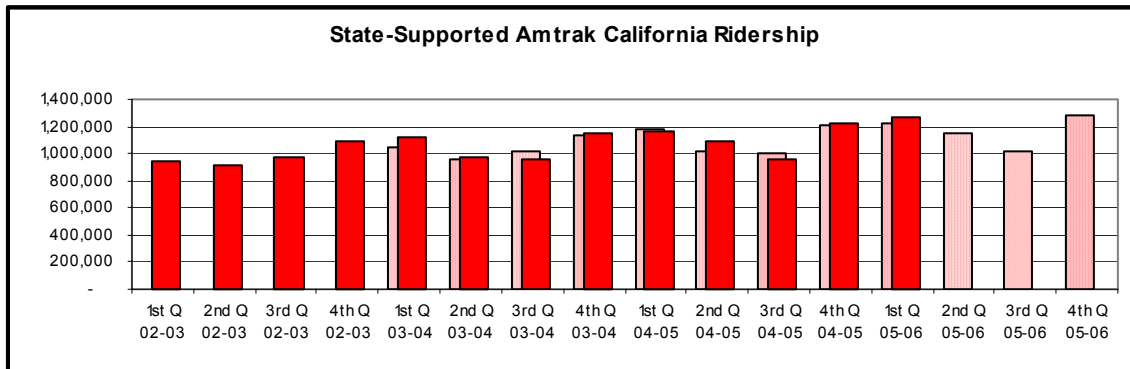
Total ridership during the first quarter (July-September 2005) on the three routes increased by 8.6 percent over the comparable quarter in FY 2004-05 and was 3.6 percent above the Business Plan projection for the quarter. Overall revenue increased 6.4 percent while overall expense increased only 3.5 percent for the first quarter, compared with the same quarter the previous year, with the farebox ratio going up by 1.4 percentage points to 54.1 percent. (Data includes Amtrak estimates of September 2005 financial results.)

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Passenger Miles per Train Mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, was 116.4 for the first quarter of FY 2005-06, 3.2 percent above the same period the prior year, and 2.1 percent above the Business Plan projection.

The following graphs depict the combined results of the three State-supported rail corridors in California. Route-specific charts are in the sections for each route that follow:



Notes:

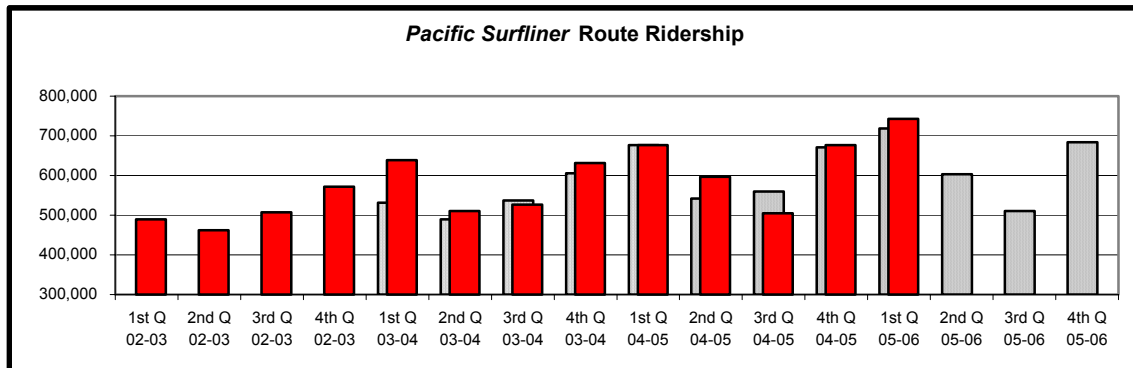
Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection.

September 2005 data was estimated by Amtrak, as the final billings are not yet available.

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Pacific Surfliner Route

There are currently 11 weekday round trips between Los Angeles and San Diego, four of which are through-trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. A second San Luis Obispo train, which operates only between Los Angeles and San Luis Obispo, was instituted in November, 2004, bringing the total level of service north of Los Angeles to five round trips daily.



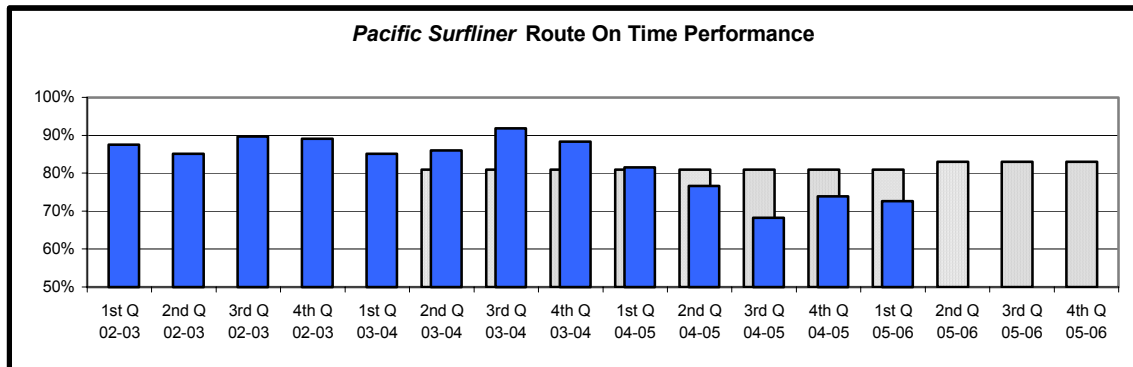
Performance on the *Pacific Surfliner* route has rebounded following the service disruptions of January and February 2005. All three months in the first quarter of FY 2005-06 set ridership records for their respective months, continuing a record-setting trend that has now reached seven consecutive months. Total *Pacific Surfliner* ridership for the first quarter was 9.8 percent higher than the same quarter the previous year and 3.3 percent higher than the projection in the Business Plan.

The “Rail 2 Rail” Program, in which the Department and Amtrak partner with both Metrolink and Coaster for the mutual honoring of tickets, continues to help spur ridership increases on all three services. Since its inception, over one million riders have taken advantage of this Program, demonstrating that the increased convenience of being able to use either of two systems at all stations from Oxnard south has made rail travel much more attractive throughout the Los Angeles basin. In addition to the “Rail 2 Rail” Program, targeted marketing to the senior and Hispanic markets is also contributing to the higher ridership and revenue on the corridor.

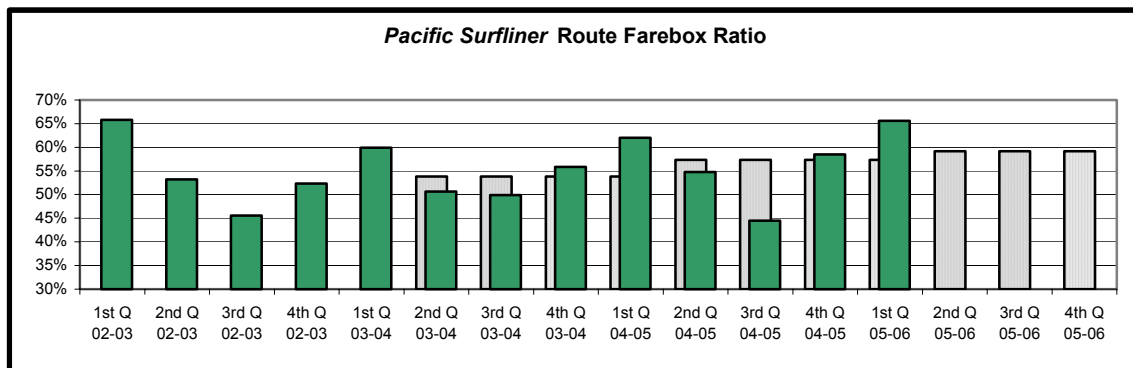
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Pacific Surfliner Route (continued)



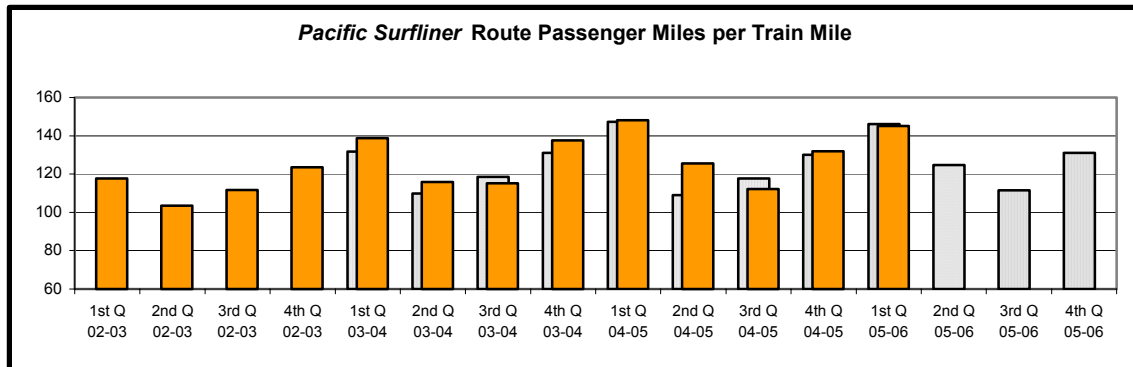
On-time performance did not rebound in the first quarter, slipping slightly to 73 percent (from 74 percent the previous quarter) and falling below the Business Plan projection of 81 percent. Almost half of the delays are attributable in part to traffic congestion (freight and passenger) on the mostly single track line, a problem that was compounded north of Los Angeles by the Union Pacific's continued diversion of some freight traffic onto the Coast Line while they completed a major track rehabilitation project on the UP line over Tehachapi summit.



Pacific Surfliner revenue for the first quarter increased 8.5 percent, compared with the same quarter the previous year. The corresponding increase in expense was 2.6 percent, with the farebox ratio going up by 3.6 percentage points to 65.6 percent, well above the Business Plan projection of 57 percent.

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Pacific Surfliner Route (continued)



Passenger Miles per Train Mile (PM/TM) for the first quarter decreased from 148.1 last year to 145.1 this year, a decline of 2.1 percent. The decline in this indicator, in contrast to the increase in ridership for the same period, indicates that more and more passengers, on average, are taking shorter distance trips. This is, at least in part, an effect of the “Rail-2-Rail” Program that brings short-distance Metrolink and Coaster riders onto the Amtrak trains.

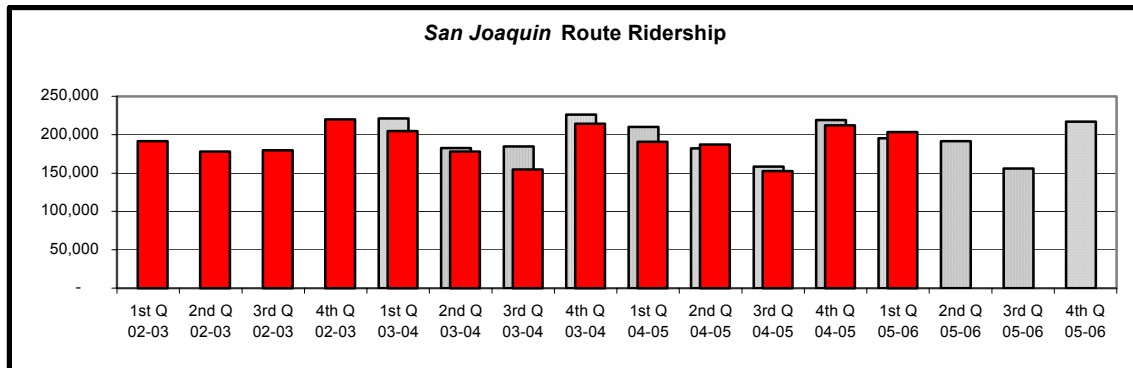
The length of the average trip on the route was 80.7 miles during the first quarter.

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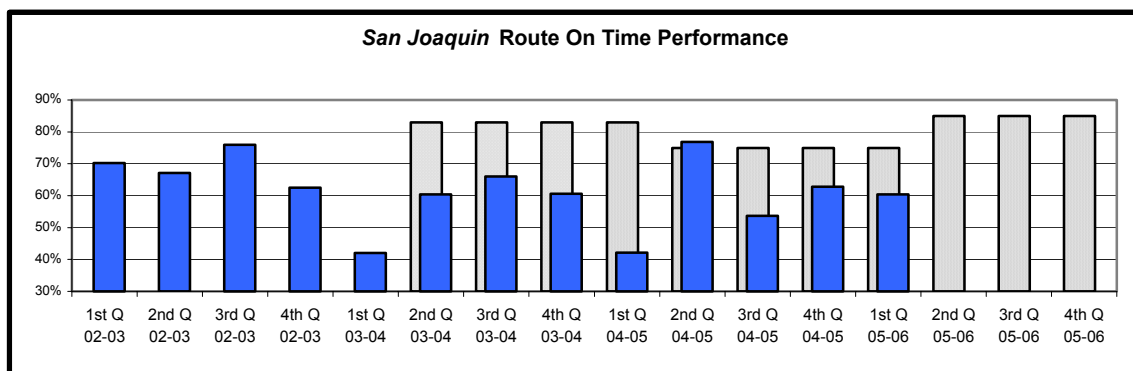
San Joaquin Route

Currently, six daily train round trips serve the *San Joaquin Route*, four operating between Bakersfield and Oakland/San Francisco and two between Bakersfield and Sacramento. All six round trips have dedicated bus connections between Bakersfield and Los Angeles and other points throughout Southern California. On the north end, similar buses to and from Stockton connect Sacramento with Oakland trains and San Francisco/Oakland with Sacramento trains, thus providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to communities throughout the north end of the State.



San Joaquin performance continued to be affected by the disruption of BNSF freight operations caused by Union Pacific's extensive track rehabilitation project over Tehachapi Pass east of Bakersfield (BNSF is a tenant on the UP-owned line between Bakersfield and Mojave). Schedule reliability could vary widely from day to day and from train to train, though the situation started to improve in mid-quarter.

On the *San Joaquins*, all three months in the first quarter of FY 2005-06 showed increases over the same quarter the previous year. Total ridership in the first quarter increased 6.6 percent, compared to the same period the year before, and exceeded the San Joaquin Route Business Plan projection by 4.2 percent.

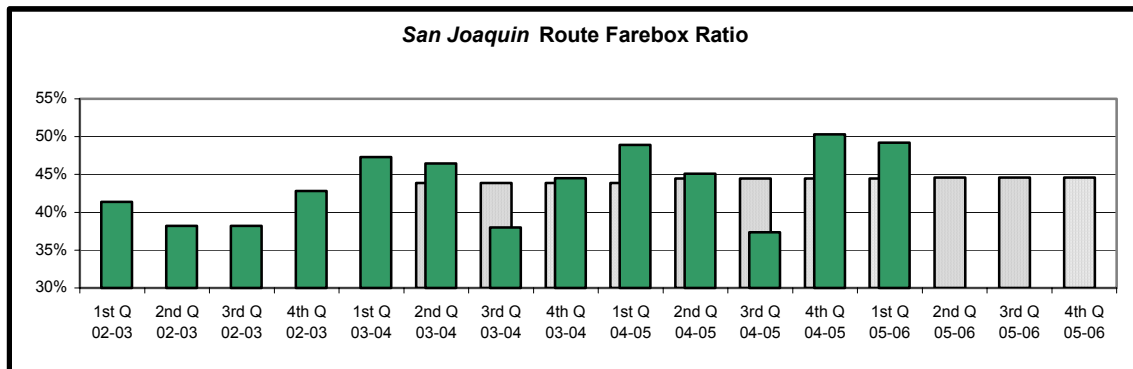


On time performance in the first quarter dropped in July and August, to a low of 54 percent, then turned around and reached 69 percent in September 2005 (it continued to improve in October 2005, reaching 75 percent). The average for the entire first quarter was 63.0 percent, just above the prior quarter's 62.8 percent.

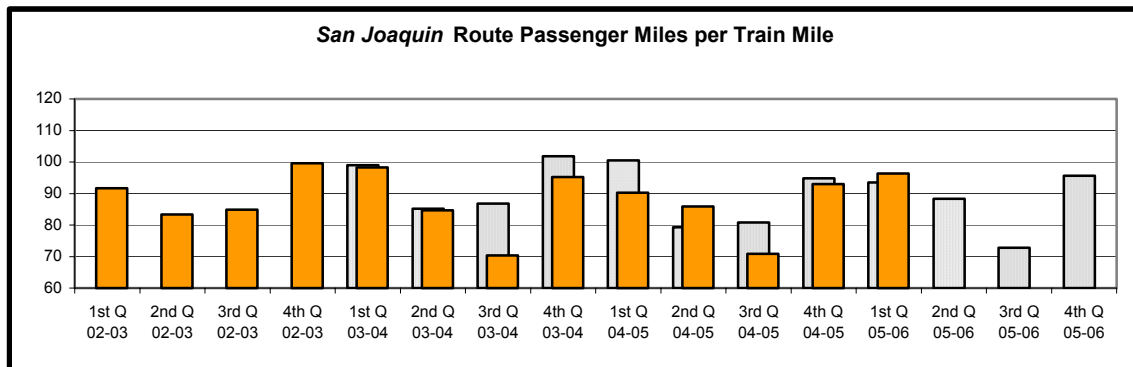
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San Joaquin Route (continued)



San Joaquin revenue for the first quarter increased 2.2 percent, compared with the same quarter the previous year. Expenses, at the same time, increased only 1.6 percent, with the farebox ratio going up by 0.3 percentage points to 49.2, well above the Business Plan projection of 44 percent.



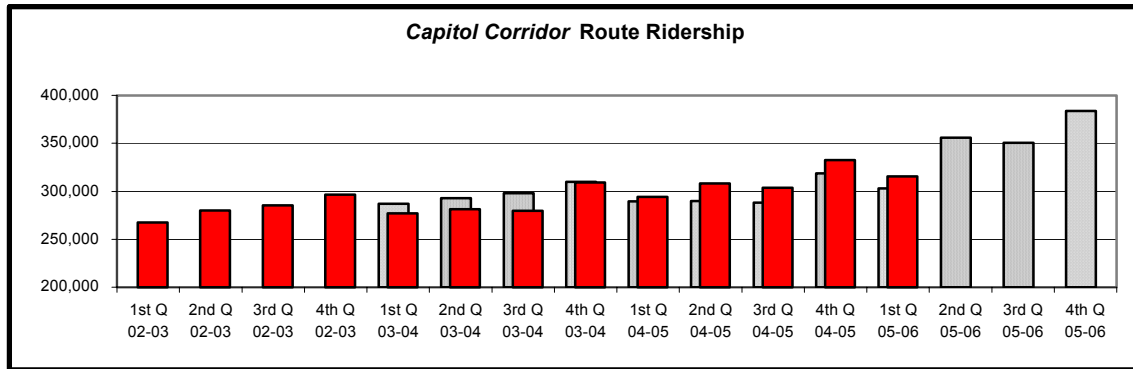
Passenger Miles per Train Mile (PM/TM) for the first quarter of the fiscal year were 96.4, up 6.9 percent from the 90.2 PM/TM generated during the same period of the previous fiscal year. Average trip length (for the train portion of passenger trips) was 160.5 miles.

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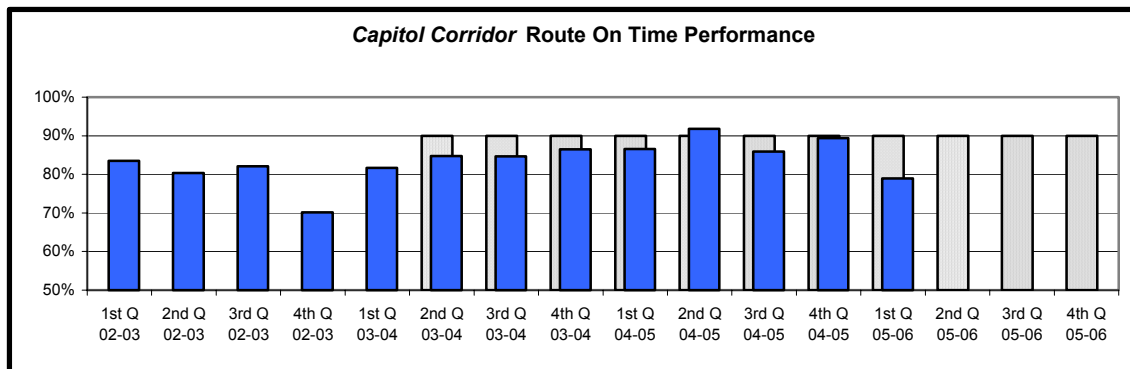
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Capitol Corridor

There are currently twelve weekday round trips between Oakland and Sacramento. One round trip each day continues to and from Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Sacramento-Oakland round trips, with six round trips extending to San Jose and one to Auburn.



Ridership on the *Capitol Corridor* continued its steady increase, again setting ridership records in all three months of the quarter. The service has now attained 25 consecutive months of ridership records (compared with the same months in prior years). Total ridership for the first quarter of FY 2005-06 increased 7.2 percent, compared to the same quarter the year before, and was 4.1 percent above the quarter's projection in the Business Plan.

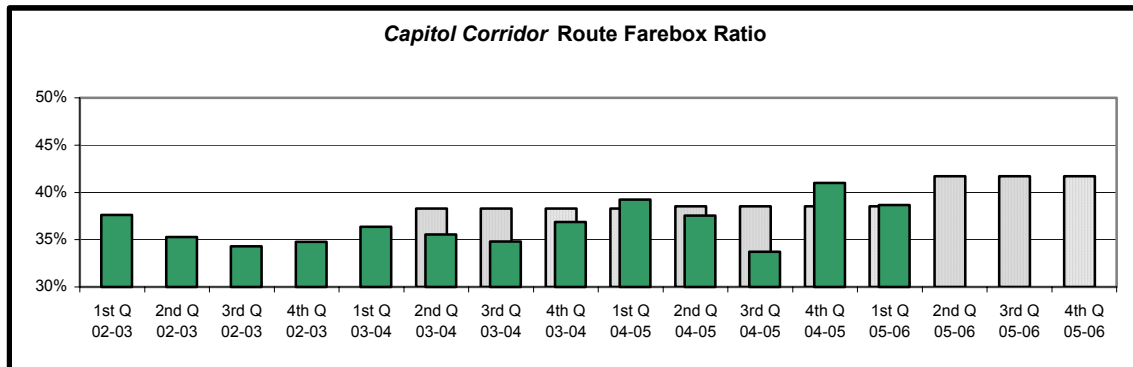


On time performance was 78.2 percent in the first quarter, down from 89.4 percent in the prior quarter, and below the Capitol Corridor Business Plan projection of 90 percent. Slow orders and train congestion were the primary sources of delays.

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Capitol Corridor (continued)



Capitol Corridor revenue for the first quarter increased by 6.4 percent, compared with the same quarter the previous year. Expenses increased 8.0 percent, with the farebox ratio dropping by 0.5 percentage point to 38.7, just over the Business Plan projection of 38.5 percent.

Passenger Miles per Train Mile (PM/TM) for the first quarter of the fiscal year were 94.2, up 7.5 percent from the 87.6 PM/TM generated during the same period of the previous fiscal year. Average trip length increased from 67.8 to 68.5 miles.

